

THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re Application of: Nicholas H. Des Champs

Appeal No. \_\_\_\_\_

Serial No.: 09/864,198

Group Art Unit: 3635

Filed: May 25, 2001

Examiner: Mark A. Fadok

For: Scrap Reduction By Combining Operations of Different Manufacturers

\* \* \* \* \*

**APPEAL BRIEF**

\* \* \* \* \*

Commissioner for Patents  
P.O. Box 1450  
Alexandria, VA 22313-1450

Honorable Members of the Board of Patent Appeals and Interferences:

The jurisdiction of the Board is invoked under 35 USC 134 and 37 CFR 1.191. A Notice of Appeal and payment therefor and payment for filing this brief are filed herewith. Both the Notice of Appeal and the Appeal Brief are timely filed.

**Claims on Appeal**

This is an appeal from the final rejection of claims 1-17 in an Office Action mailed 12/23/2004.

Note that claim 4 was inadvertently made dependent from claim 1 when it should have been dependent from claim 3, otherwise it would be redundant with claim 2.

**Real Party of Interest**

The real party of interest is Des Champs Technologies, Inc. whose mailing address is P. O. Box 220, Natural Bridge Station, VA 24579.

**Related Appeals and Interferences**

There are no known related appeals or interferences.

**Status of Claims**

Claims 1-17 are pending in this application. Claims 1-17 are rejected under 35 USC 103(a) as being unpatentable over Stewart (2001/0049634) in view of Official Notice and are the subject of this appeal.

**Status of Amendments**

There are no pending amendments.

**Summary of the Invention**

The invention is set forth on page 1, "Field of the Invention," and on pages 4 and 5 under "Summary of the Invention." A first manufacturer has excess material remaining after forming an article from stock material. To preclude scrapping all of the remaining excess material, the Internet is used to determine if another second manufacturer can use the excess material so that the first manufacturer can make an article needed by the second manufacturer. The second manufacturer notifies the first manufacturer of their specific need.

**The issue Is:**

Whether claims 1-17 are obvious under 35 USC 103(a) in view of Stewart and Official Notice.

**Grouping of the Claims**

A. Independent claim 1 is seen to be independently patentable with claims 3, 6, 7, and 12 - 16 depending from claim 1.

B. Claims 2, 4, 5 and 8 depend from claim 1 and add to claim 1 new scrap reduction steps where a first fabricator makes work products from would be scrap for a second fabricator.

C. Claims 9, 10, 11 and 17 depend from claim 1 and add new scrap reduction steps where a first fabricator and a second fabricator broker an agreement to cooperatively reduce scrap.

**Arguments**

The claims are all believed to be patentable.

Claims 1-17 have been rejected under 35 USC 103(a) as being unpatentable over Stewart in view of Official Notice.

Stewart

The publication of Stewart does not even make the present title obvious. There is no teaching in Stewart wherein different manufacturers combine operations. Nonetheless, the

Examiner has taken the position that the claims are obvious in view of Stewart and his unsupported intuition or opinion that any reduction of scrap would be obvious per se.

#### Stewart Publication

The publication of Stewart is irrelevant and non-analogous in that it is not concerned with scrap reduction in any way. The publication to Stewart is drawn to the sale of stock materials, and in particular the purchase and sale of steel to two or three subsequent manufacturers who work the stock materials into items that can be sold to end users. He refers to his stock materials as products.

Under Prior Art, steel is provided by numerous levels of sellers and/or buyers. The finished stock steel product, such as hot and/or cold rolled steel products, goes to a buyer, whether it be a product manufacturer or intermediate stock processor. The buyer typically transforms that product into an end product which is then resold to either another intermediate reprocessor or the ultimate end user. An intermediate entity can further reprocess that stock product into an end product and sell it. The steel products can have certain specifications and characteristics such as thickness, width and material properties. [0005]

There are four levels of intermediary processors (1) warehouse operation, (2) reprocessing function such as splitting a steel coil, (3) reprocessing, such as painting or forming or stamping the stock material, and (4) reprocessing the steel product into a fender or other body part. [0007 - 0009]. The buying and selling can be on-line via the world wide web or internet

[0015]. Various aspects of doing business [0020 and 0029], product information [0021-0022] such as found in a catalogue and buyer and seller information are provided [0104].

The metal begins as a stock material and proceeds through buyers and sellers, “processors.” At some point a “processor” converts or works the stock material into a useful product (abstract, paragraphs 0006 - 0009). If the useful product is up to specification, it can be sold as a product of manufacture. If it is not up to specification, it becomes scrap to be melted or otherwise disposed of [0093]. In this event the manufacturer has not reduced scrap, he has manufactured it.

#### The Examiner's View of Stewart

The Examiner has taken the position that the invention is unpatentable over Stewart. Stewart does not teach the invention, but since selling products that are available and saleable in a prudent way to reduce scrap was old and well known in the art at the time of the invention it would be obvious.

The Examiner points to Stewart, page 1, paragraph 0009, under “Description of the Prior Art” for “secondary fabrication.” The paragraph is directed to a “fourth level intermediary.” As understood, the fourth intermediary is a “reprocessor” and takes a metal stock material sheet and stamps or forms it into a steel product. A third level intermediary painted or galvanized the stock material [0008].

- a) The prior art is not a part of the Stewart invention.

- b) It was not scrap when received by the fourth party.
- c) It was not scrap when worked on or when transferred to a car manufacturer.
- d) There is no disclosure or inclusion of scrap in any form.

The Examiner points to page 6 of Stewart, paragraph 0082 for negotiation. In paragraph 0082 buyers and sellers are brought together to transact business. Intermediate buyers and sellers of stock materials (products), such as hot rolled steel products for further processing, are the only ones placed on buyer lists. There is nothing in paragraph 0082 that relates to scrap reduction or having “would be” scrap of a first manufacturer made into a useful product by the first manufacturer for a second manufacturer.

The conducting of business over the internet is not new, novel or unobvious. As one common example, eBay offers various items for sale to various customers and includes provisions for making offers for sale, etc. and Stewart mentions “amazon.com” and “barnesandnoble.com” [0013]. Your applicant is not claiming to have invented the internet. Your applicant is not claiming to have invented doing business over the internet. Such business transactions are now common. However, they have nothing to do with scrap reduction.

#### The Examiner's Personal Opinion

The Examiner is of the personal opinion that it is old and it is obvious to reduce scrap and on this basis rejects the claims under “Official Notice.”

As understood, the Examiner is saying, on page 3, lines 3-6, that selling products that are available and saleable is a prudent method of reducing scrap. Your applicant agrees that selling products available and saleable is prudent. It is not understood how the selling of available products has anything to do with scrap, unless it is considered more prudent to sell available products than it is to scrap them. The statement is to standard sales practice and, in any event, is irrelevant insofar as the present scrap reduction by making other articles from potential scrap is concerned.

The Examiner further states, page 3, lines 6-10, "It would have been obvious to a person having ordinary skill in the art to include in Stewart selling, for instance, portions of a steel slab that did not get sold, because scrapping the remainder of the slab, if say, a quarter of it were sold would be imprudent, since the remainder of the slab should carry the similar value and would thus increase revenue." As understood, the Examiner is contending that it would be obvious to sell portions of a steel slab that did not get sold, as it would not be prudent to scrap it when it can be sold to increase revenue. If this is the intent of the statement, your applicant agrees. Selling as much of a stock material as possible is prudent. However, such has little or nothing to do with the scrap reduction process of the present invention where that 1/4 slab is turned into a useful product for a second manufacturer. The invention is specifically to finding a use for that quarter slab rather than selling it for scrap.

Webster's Dictionary defines "scrap" to include "a small bit or piece torn out or broken off something ... pieces, chips etc. of material left over or discarded ... metal or other raw

material recovered from old ships, cars etc.” and “scrapped” to include “to discard as useless or to break up into scrap.”

The present invention is clearly drawn to “reducing scrap” by preventing the raw or metal stock material from ever becoming scrap in the first instance. The invention is to a scrap reduction procedure. The claim preamble is to “a scrap reduction procedure.”

As to Stewart, the sale of stock to manufacturers is standard procedure. The sale of a small piece of stock or a large piece of stock are both sales of stock. There is no scrap insofar as the seller or buyer of stock material per se is concerned. Only after a manufacturer uses the stock material to make parts, and has remnants that are useless to that manufacturer, is there the potential for scrap. The only mention of scrap in Stewart, as understood, is found on page 7 in paragraph 0093. As set forth in paragraph 0093, when the product manufactured is of poor or “lower quality steel products, such as scrap products, and requires re-melting and separation out of impurities, or steel product which does not meet particular product specification. In either case, these products can be offered for sale by seller members via fixed pricing, an auction/bid mechanism or private pricing.”

It is acknowledged that manufacturers try to keep scrap to a minimum. It is not acknowledge, or shown to be obvious, that scrap from a first manufacturer can be processed by the first manufacturer to make articles for a second manufacturer.



## Claim Differences

The claims all set forth process steps that are not taught by Stewart or obvious

Base claim 1 recites steps that are not taught by or made obvious by Stewart.

- a) Stewart does not teach a procedure for reducing scrap. The claim is drawn to “a scrap reduction procedure.
- b) Stewart does not teach a repository for collecting information on materials available from first fabrication parties.
- c) Stewart does not teach a repository for collecting information on material needs of second user parties.
- d) Stewart does not teach communication of material information needs between two user parties.

Claims 2, 4, 5 and 8 include the additional step of a first manufacturer making parts for a second manufacturer to reduce the first manufacturer’s scrap. Stewart does not teach a first manufacturer performing work for second parties.

Claims 9, 10, 11 and 17 include the additional step of a first manufacturer and a second manufacturer getting together or collaborating to reduce scrap. Stewart does not teach any scrap reduction let alone brokering agreements between first and second parties to reduce scrap.

## Summary of Law

A combination is being claimed. A combination includes mechanical elements, substances in a composition and steps in a process. In re Fuetterer, 138 USPQ 217 (CCPA 1963). The claims 1-17 are all patentable for each and every one of the following legal principles.

The claims 1-17 preambles are all drawn to “a scrap reduction procedure.” The Court of Customs and Patent Appeals has reminded the Patent Office that all statements contained in any part of the claim, including the preamble, are to be considered as important and worthy of consideration when an Examiner deliberates upon patentability. In re Duva, 156 USPQ 90 (CCPA 1967).

The claims are to “scrap reduction” and a repository for first fabricating parties information and a repository for second user parties information and communications between the two user parties as required by all of claims 1-17. In view of Stewart not teaching these steps, claim 1 is allowable. Since all of claims 3, 6, 7, and 12-16 depend from allowable claim 1, they are patentable. In re Fine, 5 USPQ 2d 1596 (FedCir 1988).

The Examiner has not given proper consideration to the claim terms. The Federal Circuit has stated that a term in a claim is to be given a construction consistent with the ordinary meaning of the term and also consistent with the intrinsic evidence from the patent itself. Hill-Rom v. Kinetic Concepts & KCI Therapeutic Servs., No. 99-1314 (Fed Cir Apr. 14, 2000). The

requirements of a claim cannot simply be ignored. In re Ehhreich et al, 200 USPQ 504 (CCPA 1979). All apparently limiting language in a claim must be considered material absent external evidence suggesting otherwise. Ontario Die of America v. Independent Die Ass., 18 USPQ 2d 1477 (DCE Mich 1990). All limitations of a claim must be considered in determining the claimed subject matter and it is error to ignore specific limitations distinguishing over a reference. In re Boe, 184 USPQ 38 (CCPA 1974).

The Examiner has rejected claims 1-17 based on personal opinions rather than facts of record. The mere allegation that the differences between the claimed subject matter and the prior art are obvious does not create a presumption of unpatentability which forces an applicant to prove conclusively that the Patent Office is wrong. In re Soli, 137 USPQ 797 (CCPA 1963). The ultimate legal conclusion of obviousness must be based on facts or records, not on the examiner's unsupported allegation that a particular structural modification is "well known and thus obvious." Subjective opinions are of little weight against contrary evidence. In re Wagner et al, 152 USPQ 552 (CCPA 1967). To assign attributes to the references which do not, in fact, exist, and to entirely discount the critical language within the claim does not comply with the requirements of objectively identifying the differences between the claimed invention and the prior art. In re Wood and Everrole, 202 USPQ 17 (CCPA 1979). The Court of Appeals for the Federal Circuit has stated that the Board cannot simply reach conclusions based on its own understanding or experience - or on its assessment of what would be basic knowledge or common sense. Rather, the Board must point to some concrete evidence in the record in support of those findings. In re Zurko, 258 F.3d 1379 (FedCir 2001).

The invention discloses that new, unused material remaining after forming a product may be used by another thereby preventing it from ever becoming scrap. A reference which is not directed to the same purpose and does not have the same inventive concept as claims under consideration cannot be fairly applied in rejecting such claims. In re Luvisi and Nohejl, 144 USPQ 646 (CCPA 1965). The totality of the prior art and invention have not properly been considered. The totality of the prior art leads away from the claimed invention. In re Hedges et al, 228 USPQ 685 (CAFC 1986).

By interpreting Stewart inconsistently from that stated by Stewart, the Examiner has in fact resorted to modifying the reference. A modification of the prior art references which is not taught by the references cannot be relied upon under 35 USC 102 or 103. Deering Milliken Research Corp. v. Beaunit Corp., 182 USPQ 421 (DCWNC 1974). It is not proper use of a reference to modify its structure (and/or steps) to one which prior art references do not teach. In re Randal et al, 165 USPQ 586 (CCPA 1979).

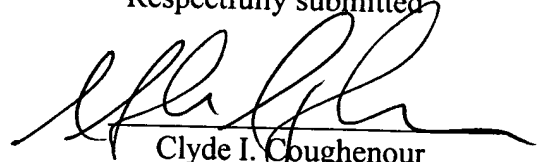
In view of the Examiners erroneous interpretation of the Stewart publication and exaggerated personal opinion, the rejection can only be the result of hindsight. In considering the question of invention, it is necessary to determine whether or not the art relied upon contains adequate directions for the practice of the invention without resort to the involved application. In re Gibbons, 100 USPQ 398. A combination rejection must be supported by something other

than applicant's own disclosure. In re Shaffer, 108 USPQ 326 (CCPA 1956). More than an opinion or speculation and hindsight are required to reach a legal conclusion of obviousness. In re Sporck, 133 USPQ 360 (CCPA 1962). To imbue one of ordinary skill in the art with knowledge of the invention, when no prior art reference or references of record suggest that knowledge is hindsight where that which only the inventor taught is used against its teacher. W. L. Gore & Associates v. Garlock 220 USPQ 303 (CAFC 1983).

### CONCLUSION

Claims 1-17 are patentable over Stewart and are in condition for allowance. The Official Notice is unsupportable and irrelevant insofar as the steps of the claims are concerned. The decision of the Examiner finally rejecting claims 1-17 should be reversed, and such action is earnestly solicited.

Respectfully submitted

A handwritten signature in black ink, appearing to read 'Clyde I. Coughenour', written over a horizontal line.

Clyde I. Coughenour  
Reg. No. 33,083

Clyde I. Coughenour  
16607 Sutton Place  
Woodbridge, VA 22191-4627  
(703) 221-8677

## CLAIMS ON APPEAL

1. A scrap reduction procedure comprising:

providing a repository for collecting information on materials, sizes and thicknesses available by first fabrication parties;

providing a repository for collecting information on materials, sizes and thickness needs of second user parties;

providing a means for communicating said materials, sizes, and thicknesses available to said second user parties and said materials, sizes, and thicknesses needed to said first fabrication parties to each other;

providing a means for receiving responses to said materials, sizes, thicknesses available from said first fabrication parties and said materials, sizes, thicknesses needed by said second user parties;

communicating said responses to an appropriate said first party or said second party.

2. A scrap reduction procedure as in claim 1 including:

processing offers from said second parties to have work performed by said first parties;

3. A scrap reduction procedure as in claim 1 including:

negotiating agreements between said first parties and said second parties for offers made.

4. A scrap reduction procedure as in claim 3 including:

processing offers from said first parties to perform work for said second parties.

5. A scrap reduction procedure as in claim 1 wherein:

said responses may be in the form of bids by a first party fabricating work products;  
including tabulating said bids to fabricate work products and communicating acceptable bids to  
fabricate to a said second party.

6. A scrap reduction procedure as in claim 1 wherein:

said responses may be in the form of bids by a said second party for having work products  
fabricated;  
including tabulating said bids to have work fabricated and communicating acceptable bids  
to a said first party.

7. A scrap reduction procedure as in claim 1 including:

providing a means for communicating said materials and sizes availabilities of said first  
parties and said materials and size availabilities of said second parties on a worldwide basis.

8. A scrap reduction procedure as in claim 1 including:

matching said work to be done size and materials of said second parties with said  
potential scrap size and materials of said first parties,  
informing said first parties and said second parties of the needs and availabilities of the  
other's materials and size availabilities that overlap or coincide.

9. A scrap reduction procedure as in claim 1 including:

brokering an agreement between one of a said first parties and one of said second parties to cooperatively reduce said scrap amount.

10. A scrap reduction procedure as in claim 9 including:

negotiating any disputes that arise between one of said first parties and one of said second parties.

11. A scrap reduction procedure as in claim 1 including:

matching said work to be done size and materials of said second parties with said potential scrap size and materials of said first parties;

informing said first parties and said second parties of the needs and availabilities of the other's materials and size availabilities that overlap or coincide;

using a worldwide database to inform said first parties and said second parties of the other's needs and availabilities;

brokering an agreement between one of a said first parties and one of said second parties to cooperatively reduce said scrap amount.

12. A scrap reduction procedure as in claim 1 including:

providing assistance to said first parties and said second parties in ordering and invoicing transactions.



13. A scrap reduction procedure as in claim 1 including:  
performing credit checks for said first and second parties.
14. A scrap reduction procedure as in claim 3 including:  
tracking production and shipping scheduling for timeliners.
15. A scrap reduction procedure as in claim 3 including:  
reviewing work for quality compliance.
16. A scrap reduction procedure as in claim 1 including:  
providing a means for communicating said materials and sizes available from said first parties and said materials and sizes needed by said second parties on a worldwide basis;  
negotiating agreements between said first parties and said second parties for offers made;  
performing credit checks for said parties; providing assistance to said first parties and said second parties in ordering and invoicing transactions;  
reviewing work for quality compliance;  
tracking production and shipping scheduling for timeliners.
17. A scrap reduction procedure as in claim 11 including:  
performing credit checks for said first and second parties;  
tracking production and shipping scheduling for timeliners;  
reviewing work for quality compliance.